

AMENDED IN ASSEMBLY MARCH 22, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2239**

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**Introduced by Assembly Member Norby**

February 24, 2012

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An act to amend Section 170.1 of the Code of Civil Procedure, and to amend Sections 56100.1, 82036.5, 83124, 84101, 84103, 84108, 84203.3, 84203.5, 84204, 84204.5, 84215, 84216, 84218, 84300, 84308, 84602, 84604, 84605, 84609, 85304, 85304.5, 85306, 85310, 85315, 85316, 85501, 89510, 89511.5, 89512.5, 89513, and 90002 of, to repeal Sections 84200.5, 84200.6, 84200.7, 84200.8, 84200.9, 84202.3, 84202.5, 84202.7, 84203, 84205, 84206, 84209, 84211, 84216.5, 84220, 84302, 85300, 85301, 85302, 85303, 85305, 85307, 85309, 85314, 85320, 85321, 85701, 85702, and 85704 of, to repeal Article 2.5 (commencing with Section 84250) of Chapter 4 of Title 9 of, and to repeal and add Section 84200 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2239, as amended, Norby. Political Reform Act of 1974.

The Political Reform Act of 1974 imposes various limitations on contributions that may be made to, or accepted by, candidates for elective office and campaign committees that support or oppose candidates and ballot measures, including, among other things, limiting the maximum dollar amount of contributions that may be accepted by candidates for elective state office, prohibiting candidates from accepting public funds for the purpose of seeking public office, limiting contributions to an officer of an agency from a party who has a financial interest in a permit or license proceeding before that agency, and

prohibiting elected state officers or candidates for elective state office from accepting contributions from lobbyists registered to lobby the governmental agency of which the elected official is a member or for which the candidate seeks election.

This bill would repeal limitations on contributions that may be made to, or accepted by, candidates for elective office.

The act requires candidates and committees to file specified campaign finance reports, including semiannual statements, preelection statements, supplemental preelection statements, and late contribution reports, that include prescribed campaign finance information.

This bill would repeal the requirements to file these reports and would, instead, require that a candidate or committee who makes or receives a contribution of \$100 or more to report that contribution to specified filing officers within 24 hours of receiving the contribution. The bill would require a candidate or committee making the contribution to report his, her, or its full name and address, the full name and address of the recipient, the office sought by the candidate or the ballot measure, as appropriate, and the date and amount of the contribution. The bill would require the recipient of the contribution to report his, her, or its full name and address, the date and amount of the contribution, whether the contribution is in the form of a loan, and the full name of the contributor, and his or her street address, occupation, and employer or the name of the business, if self-employed. ~~The bill would require a candidate or committee who is required to report to the Secretary of State to file the report online or by electronic transmission only.~~

*The bill would require a candidate or committee that makes an expenditure of \$100 or more to report the expenditure to specified filing officers within 24 hours. The bill would require the candidate or committee making the expenditure to report his, her, or its full name and street address, the amount of the expenditure, the full name and street address for the person to whom the expenditure was made, and a brief description of the consideration for which the expenditure was made. The bill would require the disclosure of additional information if the expenditure is a contribution to a candidate, elected officer, or committee or an independent expenditure to support or oppose a candidate or measure.*

*The bill would require a candidate or committee who is required to report a contribution or expenditure to the Secretary of State to file that report online or by electronic transmission only.*

The bill would also make conforming changes.

By increasing the duties of local government officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the act may be amended by a statute that becomes effective upon approval of the voters.

This bill would require the Secretary of State to submit the provisions of the bill that would amend the Political Reform Act of 1974 to the voters for approval at a statewide election, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 170.1 of the Code of Civil Procedure is  
2     amended to read:  
3     170.1. (a) A judge shall be disqualified if any one or more of  
4     the following are true:  
5         (1) (A) The judge has personal knowledge of disputed  
6         evidentiary facts concerning the proceeding.  
7         (B) A judge shall be deemed to have personal knowledge within  
8         the meaning of this paragraph if the judge, or the spouse of the  
9         judge, or a person within the third degree of relationship to either  
10        of them, or the spouse of such a person, is to the judge's knowledge  
11        likely to be a material witness in the proceeding.  
12        (2) (A) The judge served as a lawyer in the proceeding, or in  
13        any other proceeding involving the same issues he or she served  
14        as a lawyer for a party in the present proceeding, or gave advice  
15        to a party in the present proceeding upon a matter involved in the  
16        action or proceeding.  
17        (B) A judge shall be deemed to have served as a lawyer in the  
18        proceeding if within the past two years:  
19        (i) A party to the proceeding, or an officer, director, or trustee  
20        of a party, was a client of the judge when the judge was in the  
21        private practice of law or a client of a lawyer with whom the judge  
22        was associated in the private practice of law.

1 (ii) A lawyer in the proceeding was associated in the private  
2 practice of law with the judge.

3 (C) A judge who served as a lawyer for, or officer of, a public  
4 agency that is a party to the proceeding shall be deemed to have  
5 served as a lawyer in the proceeding if he or she personally advised  
6 or in any way represented the public agency concerning the factual  
7 or legal issues in the proceeding.

8 (3) (A) The judge has a financial interest in the subject matter  
9 in a proceeding or in a party to the proceeding.

10 (B) A judge shall be deemed to have a financial interest within  
11 the meaning of this paragraph if:

12 (i) A spouse or minor child living in the household has a  
13 financial interest.

14 (ii) The judge or the spouse of the judge is a fiduciary who has  
15 a financial interest.

16 (C) A judge has a duty to make reasonable efforts to inform  
17 himself or herself about his or her personal and fiduciary interests  
18 and those of his or her spouse and the personal financial interests  
19 of children living in the household.

20 (4) The judge, or the spouse of the judge, or a person within the  
21 third degree of relationship to either of them, or the spouse of such  
22 a person, is a party to the proceeding or an officer, director, or  
23 trustee of a party.

24 (5) A lawyer or a spouse of a lawyer in the proceeding is the  
25 spouse, former spouse, child, sibling, or parent of the judge or the  
26 judge's spouse or if such a person is associated in the private  
27 practice of law with a lawyer in the proceeding.

28 (6) (A) For any reason:

29 (i) The judge believes his or her recusal would further the  
30 interests of justice.

31 (ii) The judge believes there is a substantial doubt as to his or  
32 her capacity to be impartial.

33 (iii) A person aware of the facts might reasonably entertain a  
34 doubt that the judge would be able to be impartial.

35 (B) Bias or prejudice toward a lawyer in the proceeding may  
36 be grounds for disqualification.

37 (7) By reason of permanent or temporary physical impairment,  
38 the judge is unable to properly perceive the evidence or is unable  
39 to properly conduct the proceeding.

1 (8) (A) The judge has a current arrangement concerning  
2 prospective employment or other compensated service as a dispute  
3 resolution neutral or is participating in, or within the last two years  
4 has participated in, discussions regarding prospective employment  
5 or service as a dispute resolution neutral, or has been engaged in  
6 that employment or service, and any of the following applies:

7 (i) The arrangement is, or the prior employment or discussion  
8 was, with a party to the proceeding.

9 (ii) The matter before the judge includes issues relating to the  
10 enforcement of either an agreement to submit a dispute to an  
11 alternative dispute resolution process or an award or other final  
12 decision by a dispute resolution neutral.

13 (iii) The judge directs the parties to participate in an alternative  
14 dispute resolution process in which the dispute resolution neutral  
15 will be an individual or entity with whom the judge has the  
16 arrangement, has previously been employed or served, or is  
17 discussing or has discussed the employment or service.

18 (iv) The judge will select a dispute resolution neutral or entity  
19 to conduct an alternative dispute resolution process in the matter  
20 before the judge, and among those available for selection is an  
21 individual or entity with whom the judge has the arrangement,  
22 with whom the judge has previously been employed or served, or  
23 with whom the judge is discussing or has discussed the employment  
24 or service.

25 (B) For the purposes of this paragraph, all of the following  
26 apply:

27 (i) “Participating in discussions” or “has participated in  
28 discussion” means that the judge solicited or otherwise indicated  
29 an interest in accepting or negotiating possible employment or  
30 service as an alternative dispute resolution neutral, or responded  
31 to an unsolicited statement regarding, or an offer of, that  
32 employment or service by expressing an interest in that  
33 employment or service, making an inquiry regarding the  
34 employment or service, or encouraging the person making the  
35 statement or offer to provide additional information about that  
36 possible employment or service. If a judge’s response to an  
37 unsolicited statement regarding, a question about, or offer of,  
38 prospective employment or other compensated service as a dispute  
39 resolution neutral is limited to responding negatively, declining

1 the offer, or declining to discuss that employment or service, that  
2 response does not constitute participating in discussions.

3 (ii) “Party” includes the parent, subsidiary, or other legal affiliate  
4 of any entity that is a party and is involved in the transaction,  
5 contract, or facts that gave rise to the issues subject to the  
6 proceeding.

7 (iii) “Dispute resolution neutral” means an arbitrator, mediator,  
8 temporary judge appointed under Section 21 of Article VI of the  
9 California Constitution, referee appointed under Section 638 or  
10 639, special master, neutral evaluator, settlement officer, or  
11 settlement facilitator.

12 (9) (A) The judge has received a contribution in excess of one  
13 thousand five hundred dollars (\$1,500) from a party or lawyer in  
14 the proceeding, and either of the following applies:

15 (i) The contribution was received in support of the judge’s last  
16 election, if the last election was within the last six years.

17 (ii) The contribution was received in anticipation of an upcoming  
18 election.

19 (B) Notwithstanding subparagraph (A), the judge shall be  
20 disqualified based on a contribution of a lesser amount if  
21 subparagraph (A) of paragraph (6) applies.

22 (C) The judge shall disclose any contribution from a party or  
23 lawyer in a matter that is before the court that is required to be  
24 reported under Section 84200 of the Government Code, even if  
25 the amount would not require disqualification under this paragraph.  
26 The manner of disclosure shall be the same as that provided in  
27 Canon 3E of the Code of Judicial Ethics.

28 (D) Notwithstanding paragraph (1) of subdivision (b) of Section  
29 170.3, the disqualification required under this paragraph may be  
30 waived by the party that did not make the contribution unless there  
31 are other circumstances that would prohibit a waiver pursuant to  
32 paragraph (2) of subdivision (b) of Section 170.3.

33 (b) A judge before whom a proceeding was tried or heard shall  
34 be disqualified from participating in any appellate review of that  
35 proceeding.

36 (c) At the request of a party or on its own motion an appellate  
37 court shall consider whether in the interests of justice it should  
38 direct that further proceedings be heard before a trial judge other  
39 than the judge whose judgment or order was reviewed by the  
40 appellate court.

1 SEC. 2. Section 56100.1 of the Government Code is amended  
2 to read:

3 56100.1. (a) Contributions and expenditures for political  
4 purposes related to a proposal or proceeding shall be disclosed and  
5 reported pursuant to Article 2 (commencing with Section 84200)  
6 of Chapter 4 of the Political Reform Act of 1974 (Title 9  
7 (commencing with Section 81000)).

8 (b) A commission may require, through the adoption of written  
9 policies and procedures, additional disclosure of contributions in  
10 support of or opposition to a proposal, which shall be made either  
11 to the commission's executive officer, in which case it shall be  
12 posted on the commission's Internet Web site, if applicable, or to  
13 the board of supervisors of the county in which the commission  
14 is located, which may designate a county officer to receive the  
15 disclosure. Disclosure pursuant to a requirement under the authority  
16 provided in this section shall be in addition to any disclosure  
17 otherwise required by Section 56700.1, 57009, or local ordinance.

18 SEC. 3. Section 82036.5 of the Government Code is amended  
19 to read:

20 82036.5. "Late independent expenditure" means any  
21 independent expenditure that totals in the aggregate one thousand  
22 dollars (\$1,000) or more and is made for or against any specific  
23 candidate or measure involved in an election within the 12 days  
24 before the date of the election. For purposes of the Board of  
25 Administration of the Public Employees' Retirement System and  
26 the Teachers' Retirement Board, "the date of the election" is the  
27 deadline to return ballots.

28 SEC. 4. Section 83124 of the Government Code is amended  
29 to read:

30 83124. The commission shall adjust the voluntary expenditure  
31 limitations provisions in Section 85400 in January of every  
32 odd-numbered year to reflect any increase or decrease in the  
33 Consumer Price Index. Those adjustments shall be rounded to the  
34 nearest one thousand dollars (\$1,000).

35 SEC. 5. Section 84101 of the Government Code is amended  
36 to read:

37 84101. (a) A committee that is a committee by virtue of  
38 subdivision (a) of Section 82013 shall file a statement of  
39 organization. The committee shall file the original of the statement  
40 of organization with the Secretary of State and shall also file a

1 copy of the statement of organization with the local filing officer,  
2 if any, with whom the committee is required to file the originals  
3 of its campaign reports pursuant to Section 84215. The original  
4 and copy of the statement of organization shall be filed within 10  
5 days after the committee has qualified as a committee. The  
6 Secretary of State shall assign a number to each committee that  
7 files a statement of organization and shall notify the committee of  
8 the number. The Secretary of State shall send a copy of statements  
9 filed pursuant to this section to the county elections official of each  
10 county that he or she deems appropriate. A county elections official  
11 who receives a copy of a statement of organization from the  
12 Secretary of State pursuant to this section shall send a copy of the  
13 statement to the clerk of each city in the county that he or she  
14 deems appropriate.

15 (b) In addition to filing the statement of organization as required  
16 by subdivision (a), if a committee qualifies as a committee under  
17 subdivision (a) of Section 82013 within the 12 days before the  
18 date of an election in connection with which the committee is  
19 required to file campaign statements, the committee shall file, by  
20 facsimile transmission, guaranteed overnight delivery, or personal  
21 delivery within 24 hours of qualifying as a committee, the  
22 information required to be reported in the statement of organization.  
23 The information required by this subdivision shall be filed with  
24 the filing officer with whom the committee is required to file the  
25 originals of its campaign reports pursuant to Section 84215.

26 (c) If an independent expenditure committee qualifies as a  
27 committee pursuant to subdivision (a) of Section 82013 during the  
28 time period described in Section 82036.5 and makes independent  
29 expenditures of one thousand dollars (\$1,000) or more to support  
30 or oppose a candidate or candidates for office, the committee shall  
31 file, by facsimile transmission, online transmission, guaranteed  
32 overnight delivery, or personal delivery within 24 hours of  
33 qualifying as a committee, the information required to be reported  
34 in the statement of organization. The information required by this  
35 section shall be filed with the filing officer with whom the  
36 committee is required to file the original of its campaign reports  
37 pursuant to Section 84215, and shall be filed at all locations  
38 required for the candidate or candidates supported or opposed by  
39 the independent expenditures. The filings required by this section  
40 are in addition to filings that may be required by Section 84204.



1 (d) For purposes of this section, in calculating whether one  
2 thousand dollars (\$1,000) in contributions has been received,  
3 payments for a filing fee or for a statement of qualifications to  
4 appear in a sample ballot shall not be included if these payments  
5 have been made from the candidate's personal funds.

6 SEC. 6. Section 84103 of the Government Code is amended  
7 to read:

8 84103. (a) Whenever there is a change in any of the  
9 information contained in a statement of organization, an  
10 amendment shall be filed within 10 days to reflect the change. The  
11 committee shall file the original of the amendment with the  
12 Secretary of State and shall also file a copy of the amendment with  
13 the local filing officer, if any, with whom the committee is required  
14 to file the originals of its campaign reports pursuant to Section  
15 84215.

16 (b) In addition to filing an amendment to a statement of  
17 organization as required by subdivision (a), a committee as defined  
18 in subdivision (a) of Section 82013 shall, by facsimile transmission,  
19 online transmission, guaranteed overnight delivery, or personal  
20 delivery within 24 hours, notify the filing officer with whom it is  
21 required to file the originals of its campaign reports pursuant to  
22 Section 84215 when the change requiring the amendment occurs  
23 within the 12 days before the date of the election in connection  
24 with which the committee is required to file a campaign statement  
25 if any of the following information is changed:

- 26 (1) The name of the committee.  
27 (2) The name of the treasurer or other principal officers.  
28 (3) The name of any candidate or committee by which the  
29 committee is controlled or with which it acts jointly.

30 The notification shall include the changed information, the date  
31 of the change, the name of the person providing the notification,  
32 and the committee's name and identification number.

33 A committee may file a notification online only if the appropriate  
34 filing officer is capable of receiving the notification in that manner.

35 SEC. 7. Section 84108 of the Government Code is amended  
36 to read:

37 84108. (a) Every slate mailer organization shall comply with  
38 the requirements of Sections 84100, 84101, 84103, and 84104.

39 (b) The statement of organization of a slate mailer organization  
40 shall include:

1 (1) The name, street address, and telephone number of the  
2 organization. In the case of an individual or business entity that  
3 qualifies as a slate mailer organization, the name of the slate mailer  
4 organization shall include the name by which the individual or  
5 entity is identified for legal purposes. Whenever identification of  
6 a slate mailer organization is required by this title, the identification  
7 shall include the full name of the slate mailer organization as  
8 contained in its statement of organization.

9 (2) The full name, street address, and telephone number of the  
10 treasurer and other principal officers.

11 (3) The full name, street address, and telephone number of each  
12 person with final decisionmaking authority as to which candidates  
13 or measures will be supported or opposed in the organization's  
14 slate mailers.

15 (c) The statement of organization shall be filed with the  
16 Secretary of State within 10 days after the slate mailer organization  
17 receives or is promised five hundred dollars (\$500) or more for  
18 producing one or more slate mailers. However, if an entity qualifies  
19 as a slate mailer organization within the 12 days before the date  
20 of an election in which it is required to file campaign statements,  
21 the slate mailer organization shall file with the Secretary of State,  
22 by facsimile transmission, guaranteed overnight delivery, or  
23 personal delivery within 24 hours of qualifying as a slate mailer  
24 organization, the information required to be reported in the  
25 statement of organization.

26 SEC. 8. Section 84200 of the Government Code is repealed.

27 SEC. 9. Section 84200 is added to the Government Code, to  
28 read:

29 84200. (a) (1) Each candidate or committee that makes or  
30 receives a contribution of one hundred dollars (\$100) or more shall  
31 report the contribution to each office with which the candidate or  
32 committee is required to file its statements pursuant to Section  
33 84215 or 84218. The candidate or committee that makes the  
34 contribution shall report his or her full name and street address  
35 and the full name and street address of the person to whom the  
36 contribution has been made, the office sought if the recipient is a  
37 candidate, or the ballot measure number or letter if the recipient  
38 is a committee primarily formed to support or oppose a ballot  
39 measure, and the date and amount of the contribution. The recipient  
40 of the contribution shall report his or her full name and street

1 address, the date and amount of the contribution, and whether the  
2 contribution was made in the form of a loan. The recipient shall  
3 also report the full name of the contributor, his or her street address,  
4 occupation, and the name of his or her employer, or if  
5 self-employed, the name of the business.

6 *(2) A contribution need not be reported, nor shall it be deemed*  
7 *accepted, if it is not cashed, negotiated, or deposited and is*  
8 *returned to the contributor within 24 hours of its receipt.*

9 *(b) Each candidate or committee that makes an expenditure of*  
10 *one hundred dollars (\$100) or more shall report the expenditure*  
11 *to each office with which the candidate or committee is required*  
12 *to file its statements pursuant to Section 84215 or 84218. The*  
13 *candidate or committee that makes the expenditure shall report*  
14 *his or her full name and street address, the amount of the*  
15 *expenditure, the full name and street address for the person to*  
16 *whom the expenditure was made, and a brief description of the*  
17 *consideration for which the expenditure was made. In the case of*  
18 *an expenditure that is a contribution to a candidate, elected officer,*  
19 *or committee or an independent expenditure to support or oppose*  
20 *a candidate or measure, the report shall also include the date of*  
21 *the contribution or independent expenditure, the cumulative amount*  
22 *of contributions made to the candidate, elected officer, or*  
23 *committee, or the cumulative amount of independent expenditures*  
24 *made relative to a candidate or measure, the full name of the*  
25 *candidate, and the office and district for which he or she seeks*  
26 *nomination or election, or the number or letter of the measure,*  
27 *and the jurisdiction in which the measure or candidate is voted*  
28 *upon.*

29 ~~(b)~~

30 *(c) A contribution or expenditure shall be reported by facsimile*  
31 *transmission, guaranteed overnight delivery, or personal delivery*  
32 *within 24 hours of the time it is made in the case of the candidate*  
33 *or committee that makes the contribution and within 24 hours of*  
34 *the time it is received in the case of the recipient. If a contribution*  
35 *or expenditure is required to be reported to the Secretary of State,*  
36 *the report to the Secretary of State shall be by online or electronic*  
37 *transmission only.*

38 ~~(e) A contribution need not be reported, nor shall it be deemed~~  
39 ~~accepted, if it is not cashed, negotiated, or deposited and is returned~~  
40 ~~to the contributor within 24 hours of its receipt.~~

1 SEC. 10. Section 84200.5 of the Government Code is repealed.

2 SEC. 11. Section 84200.6 of the Government Code is repealed.

3 SEC. 12. Section 84200.7 of the Government Code is repealed.

4 SEC. 13. Section 84200.8 of the Government Code is repealed.

5 SEC. 14. Section 84200.9 of the Government Code is repealed.

6 SEC. 15. Section 84202.3 of the Government Code is repealed.

7 SEC. 16. Section 84202.5 of the Government Code is repealed.

8 SEC. 17. Section 84202.7 of the Government Code is repealed.

9 SEC. 18. Section 84203 of the Government Code is repealed.

10 SEC. 19. Section 84203.3 of the Government Code is amended  
11 to read:

12 84203.3. Any candidate or committee that makes a contribution  
13 that is an in-kind contribution shall notify the recipient in writing  
14 of the value of the in-kind contribution. The notice shall be received  
15 by the recipient within 24 hours of the time the contribution is  
16 made.

17 SEC. 20. Section 84203.5 of the Government Code is amended  
18 to read:

19 84203.5. (a) In addition to any campaign statements required  
20 by this article, if a candidate or committee has made independent  
21 expenditures totaling one thousand dollars (\$1,000) or more in a  
22 calendar year to support or oppose a candidate, a measure or  
23 qualification of a measure, it shall file independent expenditure  
24 reports at the times prescribed by the Commission.

25 (b) An independent expenditure report shall contain the  
26 following information:

27 (1) The name, street address, and telephone number of the  
28 candidate or committee making the expenditure and of the  
29 committee's treasurer, and the number assigned to the committee  
30 by the Secretary of State.

31 (2) If the report is related to a candidate, the full name of the  
32 candidate and the office and district for which the candidate seeks  
33 nomination or election. If the report is related to a measure or  
34 qualification of a measure, the number or letter of the measure, or  
35 if none has yet been assigned, a brief description of the subject  
36 matter of the measure, and the jurisdiction in which the measure  
37 is to be voted on or would be voted on if it qualified.

38 (3) The total amount of expenditures related to the candidate or  
39 measure during the period covered by the report made to persons  
40 who have received less than one hundred dollars (\$100).

1 (4) The total amount of expenditures related to the candidate or  
2 measure during the period covered by the report made to persons  
3 who have received one hundred dollars (\$100) or more.

4 (5) For each person to whom an expenditure of one hundred  
5 dollars (\$100) or more related to the candidate or measure has  
6 been made during the period covered by the report and for each  
7 person who has provided consideration for an expenditure of one  
8 hundred dollars (\$100) or more during the period covered by the  
9 report:

10 (A) His or her full name.

11 (B) His or her street address.

12 (C) If the person is a committee, the name of the committee,  
13 the number assigned to the committee by the Secretary of State,  
14 or if no number has been assigned, the full name and street address  
15 of the treasurer of the committee.

16 (D) The date of the expenditure.

17 (E) The amount of the expenditure.

18 (F) A brief description of the consideration for which each  
19 expenditure was made and the value of the consideration if less  
20 than the total amount of the expenditure.

21 (G) The cumulative amount of expenditures to the person.

22 (6) A list of all the filing officers with whom the committee  
23 filed its most recent campaign statement.

24 (c) Filing officers shall maintain paper reports filed pursuant to  
25 this section under the name of the candidate or measure supported  
26 or opposed by the independent expenditure.

27 SEC. 21. Section 84204 of the Government Code is amended  
28 to read:

29 84204. (a) A committee that makes a late independent  
30 expenditure, as defined in Section 82036.5, shall report the late  
31 independent expenditure by facsimile transmission, guaranteed  
32 overnight delivery, or personal delivery within 24 hours of the  
33 time it is made. If a late independent expenditure is required to be  
34 reported to the Secretary of State, the report to the Secretary of  
35 State shall be by online or electronic transmission only. A late  
36 independent expenditure shall be reported on subsequent campaign  
37 statements without regard to reports filed pursuant to this section.

38 (b) A committee that makes a late independent expenditure shall  
39 report its full name and street address, as well as the name, office,  
40 and district of the candidate if the report is related to a candidate,

1 or if the report is related to a measure, the number or letter of the  
2 measure, the jurisdiction in which the measure is to be voted upon,  
3 and the amount and the date, as well as a description of goods or  
4 services for which the late independent expenditure was made.

5 (c) A committee that makes a late independent expenditure shall  
6 file a late independent expenditure report in the places where it  
7 would be required to file campaign statements under this article  
8 as if it were formed or existing primarily to support or oppose the  
9 candidate or measure for or against which it is making the late  
10 independent expenditure.

11 (d) A report filed pursuant to this section shall be in addition to  
12 any other campaign statement required to be filed by this article.

13 (e) Expenditures that have been disclosed by candidates and  
14 committees pursuant to Section 85500 are not required to be  
15 disclosed pursuant to this section.

16 SEC. 22. Section 84204.5 of the Government Code is amended  
17 to read:

18 84204.5. (a) In addition to any other report required by this  
19 title, a committee pursuant to subdivision (a) of Section 82013 that  
20 is required to file reports pursuant to Section 84605 shall file online  
21 or electronically with the Secretary of State each time it makes  
22 independent expenditures totaling five thousand dollars (\$5,000)  
23 or more to support or oppose the qualification or passage of a  
24 single state ballot measure. The report shall be filed within 10  
25 business days of making the contributions or independent  
26 expenditures and shall contain all of the following:

27 (1) The full name, street address, and identification number of  
28 the committee.

29 (2) The number or letter of the measure if the measure has  
30 qualified for the ballot and has been assigned a number or letter;  
31 the title of the measure if the measure has not been assigned a  
32 number or letter but has been issued a title by the Attorney General;  
33 or the subject of the measure if the measure has not been assigned  
34 a number or letter and has not been issued a title by the Attorney  
35 General.

36 (3) The date, amount, and a description of the goods or services  
37 for which the expenditure was made.

38 (b) Reports required by this section are not required to be filed  
39 by a committee primarily formed to support or oppose the  
40 qualification or passage of a state ballot measure for expenditures

1 made on behalf of the ballot measure or measures for which it is  
2 formed.

3 (c) Independent expenditures that have been disclosed by a  
4 committee pursuant to Section 84204 or 85500 are not required to  
5 be disclosed pursuant to this section.

6 SEC. 23. Section 84205 of the Government Code is repealed.

7 SEC. 24. Section 84206 of the Government Code is repealed.

8 SEC. 25. Section 84209 of the Government Code is repealed.

9 SEC. 26. Section 84211 of the Government Code is repealed.

10 SEC. 27. Section 84215 of the Government Code is amended  
11 to read:

12 84215. All candidates and elected officers and their controlled  
13 committees, except as provided in subdivisions (d) and (e), shall  
14 file one copy of the campaign statements required by Section 84200  
15 with the elections official of the county in which the candidate or  
16 elected official is domiciled, as defined in subdivision (b) of  
17 Section 349 of the Elections Code. In addition, campaign  
18 statements shall be filed at the following places:

19 (a) Statewide elected officers, including members of the State  
20 Board of Equalization; Members of the Legislature; Supreme Court  
21 justices, court of appeal justices, and superior court judges;  
22 candidates for those offices and their controlled committees;  
23 committees formed or existing primarily to support or oppose these  
24 candidates, elected officers, justices and judges, or statewide  
25 measures, or the qualification of state ballot measures; and all state  
26 general purpose committees and filers not specified in subdivisions  
27 (b) to (e), inclusive, shall file a campaign statement by online or  
28 electronic means, as specified in Section 84605, and shall file the  
29 original and one copy of the campaign statement in paper format  
30 with the Secretary of State.

31 (b) Elected officers in jurisdictions other than legislative  
32 districts, State Board of Equalization districts, or appellate court  
33 districts that contain parts of two or more counties, candidates for  
34 these offices, their controlled committees, and committees formed  
35 or existing primarily to support or oppose candidates or local  
36 measures to be voted upon in one of these jurisdictions shall file  
37 the original and one copy with the elections official of the county  
38 with the largest number of registered voters in the jurisdiction.

39 (c) County elected officers, candidates for these offices, their  
40 controlled committees, committees formed or existing primarily

1 to support or oppose candidates or local measures to be voted upon  
2 in any number of jurisdictions within one county, other than those  
3 specified in subdivision (d), and county general purpose  
4 committees shall file the original and one copy with the elections  
5 official of the county.

6 (d) City elected officers, candidates for city office, their  
7 controlled committees, committees formed or existing primarily  
8 to support or oppose candidates or local measures to be voted upon  
9 in one city, and city general purpose committees shall file the  
10 original and one copy with the clerk of the city and are not required  
11 to file with the local elections official of the county in which they  
12 are domiciled.

13 (e) Elected members of the Board of Administration of the  
14 Public Employees' Retirement System, elected members of the  
15 Teachers' Retirement Board, candidates for these offices, their  
16 controlled committees, and committees formed or existing  
17 primarily to support or oppose these candidates or elected members  
18 shall file the original and one copy with the Secretary of State, and  
19 a copy shall be filed at the relevant board's office in Sacramento.  
20 These elected officers, candidates, and committees need not file  
21 with the elections official of the county in which they are  
22 domiciled.

23 (f) Notwithstanding any other provision of this section, a  
24 committee, candidate, or elected officer is not required to file more  
25 than the original and one copy, or one copy, of a campaign  
26 statement with any one county elections official or city clerk or  
27 with the Secretary of State.

28 (g) If a committee is required to file campaign statements  
29 required by Section 84200 in places designated in subdivisions (a)  
30 to (d), inclusive, it shall continue to file these statements in those  
31 places, in addition to any other places required by this title, until  
32 the end of the calendar year.

33 SEC. 28. Section 84216 of the Government Code is amended  
34 to read:

35 84216. (a) Notwithstanding Section 82015, a loan received  
36 by a candidate or committee is a contribution unless the loan is  
37 received from a commercial lending institution in the ordinary  
38 course of business, or it is clear from the surrounding circumstances  
39 that it is not made for political purposes.



1 (b) A loan, whether or not there is a written contract for the  
2 loan, shall be reported as provided in Section 84200 when any of  
3 the following apply:

4 (1) The loan is a contribution.

5 (2) The loan is received by a committee.

6 (3) The loan is received by a candidate and is used for political  
7 purposes.

8 SEC. 29. Section 84216.5 of the Government Code is repealed.

9 SEC. 30. Section 84218 of the Government Code is amended  
10 to read:

11 84218. (a) A slate mailer organization shall file semiannual  
12 campaign statements no later than July 31 for the period ending  
13 June 30, and no later than January 31 for the period ending  
14 December 31.

15 (b) A slate mailer organization shall file two copies of its  
16 campaign reports with the clerk of the county in which it is  
17 domiciled. A slate mailer organization is domiciled at the address  
18 listed on its statement of organization unless it is domiciled outside  
19 California, in which case its domicile shall be deemed to be Los  
20 Angeles County for purposes of this section.

21 In addition, slate mailer organizations shall file campaign reports  
22 as follows:

23 (1) A slate mailer organization which produces one or more  
24 slate mailers supporting or opposing candidates or measures voted  
25 on in a state election, or in more than one county, shall file  
26 campaign reports in the same manner as state general purpose  
27 committees pursuant to subdivision (a) of Section 84215.

28 (2) A slate mailer organization which produces one or more  
29 slate mailers supporting or opposing candidates or measures voted  
30 on in only one county, or in more than one jurisdiction within one  
31 county, shall file campaign reports in the same manner as county  
32 general purpose committees pursuant to subdivision (c) of Section  
33 84215.

34 (3) A slate mailer organization which produces one or more  
35 slate mailers supporting or opposing candidates or measures voted  
36 on in only one city shall file campaign reports in the same manner  
37 as city general purpose committees pursuant to subdivision (d) of  
38 Section 84215.

39 (4) Notwithstanding the above, no slate mailer organization  
40 shall be required to file more than the original and one copy, or

1 two copies, of a campaign report with any one county or city clerk  
2 or with the Secretary of State.

3 SEC. 31. Section 84220 of the Government Code is repealed.

4 SEC. 32. Article 2.5 (commencing with Section 84250) of  
5 Chapter 4 of Title 9 of the Government Code is repealed.

6 SEC. 33. Section 84300 of the Government Code is amended  
7 to read:

8 84300. (a) No expenditure of one hundred dollars (\$100) or  
9 more shall be made in cash.

10 (b) The value of all in-kind contributions of one hundred dollars  
11 (\$100) or more shall be reported in writing to the recipient upon  
12 the request in writing of the recipient.

13 SEC. 34. Section 84302 of the Government Code is repealed.

14 SEC. 35. Section 84308 of the Government Code is amended  
15 to read:

16 84308. (a) The definitions set forth in this subdivision shall  
17 govern the interpretation of this section.

18 (1) "Party" means any person who files an application for, or  
19 is the subject of, a proceeding involving a license, permit, or other  
20 entitlement for use.

21 (2) "Participant" means any person who is not a party but who  
22 actively supports or opposes a particular decision in a proceeding  
23 involving a license, permit, or other entitlement for use and who  
24 has a financial interest in the decision, as described in Article 1  
25 (commencing with Section 87100) of Chapter 7. A person actively  
26 supports or opposes a particular decision in a proceeding if he or  
27 she lobbies in person the officers or employees of the agency,  
28 testifies in person before the agency, or otherwise acts to influence  
29 officers of the agency.

30 (3) "Agency" means an agency as defined in Section 82003,  
31 except that it does not include the courts or any agency in the  
32 judicial branch of government, local governmental agencies whose  
33 members are directly elected by the voters, the Legislature, the  
34 State Board of Equalization, or constitutional officers. However,  
35 this section applies to any person who is a member of an exempted  
36 agency but is acting as a voting member of another agency.

37 (4) "Officer" means any elected or appointed officer of an  
38 agency, any alternate to an elected or appointed officer of an  
39 agency, and any candidate for elective office in an agency.

1 (5) "License, permit, or other entitlement for use" means all  
2 business, professional, trade, and land use licenses and permits  
3 and all other entitlements for use, including all entitlements for  
4 land use, all contracts (other than competitively bid, labor, or  
5 personal employment contracts), and all franchises.

6 (6) "Contribution" includes contributions to candidates and  
7 committees in federal, state, or local elections.

8 (b) Prior to rendering any decision in a proceeding involving a  
9 license, permit, or other entitlement for use pending before an  
10 agency, each officer of the agency who received a contribution  
11 within the preceding 12 months in an amount of more than two  
12 hundred fifty dollars (\$250) from a party or from any participant  
13 shall disclose that fact on the record of the proceeding. No officer  
14 of an agency shall make, participate in making, or in any way  
15 attempt to use his or her official position to influence the decision  
16 in a proceeding involving a license, permit, or other entitlement  
17 for use pending before the agency if the officer has willfully or  
18 knowingly received a contribution in an amount of more than two  
19 hundred fifty dollars (\$250) within the preceding 12 months from  
20 a party or his or her agent, or from any participant, or his or her  
21 agent if the officer knows or has reason to know that the participant  
22 has a financial interest in the decision, as that term is described  
23 with respect to public officials in Article 1 (commencing with  
24 Section 87100) of Chapter 7.

25 If an officer receives a contribution which ~~would~~ *that* otherwise  
26 require disqualification under this section, *and* returns the  
27 contribution within 30 days from the time he or she knows, or  
28 should have known, about the contribution and the proceeding  
29 involving a license, permit, or other entitlement for use, he or she  
30 shall be permitted to participate in the proceeding.

31 (c) A party to a proceeding before an agency involving a license,  
32 permit, or other entitlement for use shall disclose on the record of  
33 the proceeding any contribution in an amount of more than two  
34 hundred fifty dollars (\$250) made within the preceding 12 months  
35 by the party, or his or her agent, to any officer of the agency. No  
36 party, or his or her agent, to a proceeding involving a license,  
37 permit, or other entitlement for use pending before any agency  
38 and no participant, or his or her agent, in the proceeding shall make  
39 a contribution of more than two hundred fifty dollars (\$250) to  
40 any officer of that agency during the proceeding and for three

1 months following the date a final decision is rendered by the  
2 agency in the proceeding. When a closed corporation is a party to,  
3 or a participant in, a proceeding involving a license, permit, or  
4 other entitlement for use pending before an agency, the majority  
5 shareholder is subject to the disclosure and prohibition  
6 requirements specified in subdivision (b) and this subdivision.

7 (d) Nothing in this section shall be construed to imply that any  
8 contribution subject to being reported under this title shall not be  
9 so reported.

10 SEC. 36. Section 84602 of the Government Code is amended  
11 to read:

12 84602. To implement the Legislature's intent, the Secretary of  
13 State, in consultation with the Commission, notwithstanding any  
14 other provision of the Government Code, shall do all of the  
15 following:

16 (a) Develop online and electronic filing processes for use by  
17 persons and entities specified in Sections 84604 and 84605 that  
18 are required to file statements and reports with the Secretary of  
19 State's office pursuant to Chapter 4 (commencing with Section  
20 84100) and Chapter 6 (commencing with Section 86100). Those  
21 processes shall each enable a user to comply with all the disclosure  
22 requirements of this title and shall include, at a minimum, the  
23 following:

24 (1) A means or method whereby filers subject to this chapter  
25 may submit required filings free of charge. Any means or method  
26 developed pursuant to this provision shall not provide any  
27 additional or enhanced functions or services that exceed the  
28 minimum requirements necessary to fulfill the disclosure provisions  
29 of this title. At least one means or method shall be made available  
30 no later than December 31, 2002.

31 (2) The definition of a nonproprietary standardized record format  
32 or formats using industry standards for the transmission of the data  
33 that is required of those persons and entities specified in  
34 subdivision (a) of Section 84604 and Section 84605 and that  
35 conforms with the disclosure requirements of this title. The  
36 Secretary of State shall hold public hearings prior to development  
37 of the record format or formats as a means to ensure that affected  
38 entities have an opportunity to provide input into the development  
39 process. The format or formats shall be made public no later than

1 July 1, 1999, to ensure sufficient time to comply with the  
2 requirements of this chapter.

3 (b) Accept test files from software vendors and others wishing  
4 to file reports electronically, for the purpose of determining whether  
5 the file format is in compliance with the standardized record format  
6 developed pursuant to subdivision (a) and is compatible with the  
7 Secretary of State's system for receiving the data. A list of the  
8 software and service providers who have submitted acceptable test  
9 files shall be published by the Secretary of State and made available  
10 to the public. Acceptably formatted files shall be submitted by a  
11 filer in order to meet the requirements of this chapter.

12 (c) Develop a system that provides for the online or electronic  
13 transfer of the data specified in this section utilizing  
14 telecommunications technology that assures the integrity of the  
15 data transmitted and that creates safeguards against efforts to  
16 tamper with or subvert the data.

17 (d) Make all the data filed available on the Internet in an easily  
18 understood format that provides the greatest public access. The  
19 data shall be made available free of charge and as soon as possible  
20 after receipt. All contribution reports and late independent  
21 expenditure reports shall be made available on the Internet within  
22 24 hours of receipt. The data made available on the Internet shall  
23 not contain the street name and building number of the persons or  
24 entity representatives listed on the electronically filed forms or  
25 any bank account number required to be disclosed pursuant to this  
26 title.

27 (e) Develop a procedure for filers to comply with the  
28 requirement that they sign under penalty of perjury pursuant to  
29 Section 81004.

30 (f) Maintain all filed data online for 10 years after the date it is  
31 filed, and then archive the information in a secure format.

32 (g) Provide assistance to those seeking public access to the  
33 information.

34 (h) Implement sufficient technology to seek to prevent  
35 unauthorized alteration or manipulation of the data.

36 (i) Provide the Commission with necessary information to enable  
37 it to assist agencies, public officials, and others, with the  
38 compliance with and administration of this title.

39 (j) Report to the Legislature on the implementation and  
40 development of the online and electronic filing and disclosure

1 requirements of this chapter. The report shall include an  
2 examination of system security, private security issues, software  
3 availability, compliance costs to filers, use of the filing system and  
4 software provided by the Secretary of State, and other issues  
5 relating to this chapter, and shall recommend appropriate changes  
6 if necessary. In preparing the report, the Commission may present  
7 to the Secretary of State and the Legislature its comments regarding  
8 this chapter as it relates to the duties of the Commission and  
9 suggest appropriate changes if necessary. There shall be one report  
10 due before the system is operational as set forth in Section 84603,  
11 one report due no later than June 1, 2002, and one report due no  
12 later than January 31, 2003.

13 (k) Review the current filing and disclosure requirements of  
14 this chapter and report to the Legislature, no later than June 1,  
15 2005, recommendations on revising these requirements so as to  
16 promote greater reliance on electronic and online submissions.

17 SEC. 37. Section 84604 of the Government Code is amended  
18 to read:

19 84604. (a) The Secretary of State shall implement an online  
20 or electronic disclosure program in connection with the 2000 state  
21 primary election and the lobbying activities specified in paragraph  
22 (4). Entities specified in paragraphs (1), (2), and (3) shall  
23 commence online or electronic disclosure with the first preelection  
24 statement filed in connection with the 2000 statewide direct  
25 primary election for the period ending January 22, 2000, and shall  
26 continue to disclose online or electronically all required reports  
27 and statements up to and including the semiannual statement for  
28 the period ending June 30, 2000. Entities specified in paragraph  
29 (4) shall commence online or electronic disclosure with the  
30 quarterly report for the period ending March 31, 2000, and shall  
31 continue to disclose online or electronically all required reports  
32 and statements up to and including the quarterly report for the  
33 period ending June 30, 2000. The entities subject to this section  
34 are the following:

35 (1) Any candidate, including appellate court and Supreme Court  
36 candidates and officeholders, committee, or other persons who are  
37 required, pursuant to Chapter 4 (commencing with Section 84100),  
38 to file statements, reports, or other documents in connection with  
39 a state elective office or state measure appearing on the 2000  
40 statewide direct primary ballot, provided that the total cumulative

1 reportable amount of contributions received, expenditures made,  
2 loans made, or loans received is one hundred thousand dollars  
3 (\$100,000) or more. For the purpose of cumulating totals, the  
4 period covered shall commence January 1, 1999.

5 (2) Any general purpose committees, as defined in Section  
6 82027.5, including the general purpose committees of political  
7 parties, and small contributor committees, as defined in Section  
8 85203, that cumulatively receive contributions or make  
9 expenditures totaling one hundred thousand dollars (\$100,000) or  
10 more to support or oppose candidates for any elective state office  
11 or state measure appearing on the 2000 statewide direct primary  
12 ballot. For the purpose of cumulating totals, the period covered  
13 shall commence January 1, 1999.

14 (3) Any slate mailer organization with cumulative reportable  
15 payments received or made for the purposes of producing slate  
16 mailers of one hundred thousand dollars (\$100,000) or more in  
17 connection with the 2000 statewide direct primary election. For  
18 the purpose of cumulating totals, the period covered shall  
19 commence January 1, 1999.

20 (4) Any lobbyist, lobbying firm, lobbyist employer, or other  
21 persons required, pursuant to Chapter 6 (commencing with Section  
22 86100), to file statements, reports, or other documents, provided  
23 that the total amount of any category of reportable payments,  
24 expenses, contributions, gifts, or other items is one hundred  
25 thousand dollars (\$100,000) or more in a calendar quarter.

26 (b) Filers specified in subdivision (a) shall also continue to file  
27 required disclosure forms in paper format. The paper copy shall  
28 continue to be the official version for audit and other legal  
29 purposes. Committees and other persons that are not required to  
30 file online or electronically by this section may do so voluntarily.

31 (c) The Secretary of State shall also disclose on the Internet any  
32 contribution report or late independent expenditure report not  
33 covered by subdivision (a).

34 (d) It shall be presumed that online or electronic filers file under  
35 penalty of perjury.

36 SEC. 38. Section 84605 of the Government Code is amended  
37 to read:

38 84605. (a) The following persons shall file online or  
39 electronically with the Secretary of State:

(1) Any candidate, including superior court, appellate court, and Supreme Court candidates and officeholders, committee, or other persons who are required, pursuant to Chapter 4 (commencing with Section 84100), to file statements, reports, or other documents in connection with a state elective office or state measure, provided that the total cumulative reportable amount of contributions received, expenditures made, loans made, or loans received is twenty-five thousand dollars (\$25,000) or more. In determining the cumulative reportable amount, all controlled committees, as defined by Section 82016, shall be included. For a committee subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a committee that is first subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the committee is first subject to this title. A committee, as defined in subdivision (c) of Section 82013, shall file online or electronically if it makes contributions of twenty-five thousand dollars (\$25,000) or more in a calendar year.

(2) Any general purpose committees, as defined in Section 82027.5, including the general purpose committees of political parties, and small contributor committees, as defined in Section 85203, that cumulatively receive contributions or make expenditures totaling twenty-five thousand dollars (\$25,000) or more to support or oppose candidates for any elective state office or state measure. For a committee subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a committee that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the committee is first subject to this title.

(3) Any slate mailer organization with cumulative reportable payments received or made for the purposes of producing slate mailers of twenty-five thousand dollars (\$25,000) or more. For a slate mailer organization subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a slate mailer organization that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the organization is first subject to this title.



1 (4) Any lobbyist, lobbying firm, lobbyist employer, or other  
2 persons required, pursuant to Chapter 6 (commencing with Section  
3 86100), to file statements, reports, or other documents, provided  
4 that the total amount of any category of reportable payments,  
5 expenses, contributions, gifts, or other items is two thousand five  
6 hundred dollars (\$2,500) or more in a calendar quarter.

7 (b) The Secretary of State shall also disclose on the Internet any  
8 contribution report or late independent expenditure report not  
9 covered by paragraph (1), (2), or (3) of subdivision (a) or any other  
10 provision of law.

11 (c) Committees and other persons that are not required to file  
12 online or electronically by this section may do so voluntarily.

13 (d) Once a person or entity is required to file online or  
14 electronically, subject to subdivision (a) or (c), the person or entity  
15 shall be required to file all subsequent reports online or  
16 electronically.

17 (e) It shall be presumed that online or electronic filers file under  
18 penalty of perjury.

19 (f) Persons filing online or electronically shall also continue to  
20 file required disclosure statements and reports in paper format.  
21 The paper copy shall continue to be the official filing for audit and  
22 other legal purposes until the Secretary of State, pursuant to Section  
23 84606, determines the system is operating securely and effectively.

24 (g) The Secretary of State shall maintain at all times a secured,  
25 official version of all original online and electronically filed  
26 statements and reports required by this chapter. Upon determination  
27 by the Secretary of State, pursuant to Section 84606, that the  
28 system is operating securely and effectively, this online or  
29 electronic version shall be the official version for audit and other  
30 legal purposes.

31 (h) Except for statements related to a local elective office or a  
32 local ballot measure filed by a candidate for local elective office  
33 who is also a candidate for elective state office, a copy of a  
34 statement, report, or other document filed by online or electronic  
35 means with the Secretary of State shall not be filed with a local  
36 filing officer.

37 SEC. 39. Section 84609 of the Government Code is amended  
38 to read:

39 84609. All candidates and ballot measure committees who are  
40 required, pursuant to Chapter 4 (commencing with Section 84100),

1 to file statements, reports, or other documents in connection with  
2 a statewide elective office or state measure appearing on the  
3 November 1998 ballot shall provide at the time of filing, in addition  
4 to a paper submission, a copy of the required report on computer  
5 disk in either an ASCII or PDF format with documentation  
6 detailing the field layout or file structure. Filers who submit  
7 computer disks which are not readable, cannot be copied, or do  
8 not have documentation have not complied with the requirements  
9 of this section. Candidate and ballot measure committees who  
10 make their report available on the Internet through the Secretary  
11 of State's office are not required to file the report on computer  
12 disk. The Secretary of State shall make copies available to the  
13 public, upon payment of fees covering direct costs of duplication,  
14 or a statutory fee, if applicable. The Secretary of State shall also  
15 disclose online any contribution report or late independent  
16 expenditure report filed in connection with any elective state office  
17 or ballot measure appearing on the November 1998 ballot.

18 SEC. 40. Section 85300 of the Government Code is repealed.

19 SEC. 41. Section 85301 of the Government Code is repealed.

20 SEC. 42. Section 85302 of the Government Code is repealed.

21 SEC. 43. Section 85303 of the Government Code is repealed.

22 SEC. 44. Section 85304 of the Government Code is amended

23 to read:

24 85304. (a) A candidate for elective state office or an elected  
25 state officer may establish a separate account to defray attorney's  
26 fees and other related legal costs incurred for the candidate's or  
27 officer's legal defense if the candidate or officer is subject to one  
28 or more civil or criminal proceedings or administrative proceedings  
29 arising directly out of the conduct of an election campaign, the  
30 electoral process, or the performance of the officer's governmental  
31 activities and duties. These funds may be used only to defray those  
32 attorney's fees and other related legal costs.

33 (b) All contributions shall be reported in the manner prescribed  
34 by Section 84200.

35 (c) Once the legal dispute is resolved, the candidate shall dispose  
36 of any funds remaining after all expenses associated with the  
37 dispute are discharged for one or more of the purposes set forth in  
38 paragraphs (1) to (5), inclusive, of subdivision (b) of Section  
39 89519.

1 SEC. 45. Section 85304.5 of the Government Code is amended  
2 to read:

3 85304.5. (a) A candidate for elective office other than an  
4 elective state office or an elected officer other than an elected state  
5 officer may establish a separate account pursuant to subdivision  
6 (a) of Section 85304 and may use these funds only to defray  
7 attorney's fees and other related legal costs.

8 (b) A candidate for an elective office other than an elective state  
9 office may receive contributions to the separate account, which  
10 shall not be subject to any limitations provided by local ordinance.  
11 However, all contributions to these separate accounts shall be  
12 reported in the manner prescribed by Section 84200.

13 (c) Once the legal dispute is resolved, the candidate or elected  
14 officer shall dispose of any funds remaining in the separate  
15 accounts after all expenses associated with the dispute are  
16 discharged for one or more of the purposes set forth in paragraphs  
17 (1) to (5), inclusive, of subdivision (b) of Section 89519.

18 SEC. 46. Section 85305 of the Government Code is repealed.

19 SEC. 47. Section 85306 of the Government Code is amended  
20 to read:

21 85306. (a) A candidate may transfer campaign funds from one  
22 controlled committee to a controlled committee for elective state  
23 office of the same candidate. Contributions transferred shall be  
24 attributed to specific contributors using a "last in, first out" or "first  
25 in, first out" accounting method.

26 (b) Notwithstanding subdivision (a), a candidate for elective  
27 state office, other than a candidate for statewide elective office,  
28 who possesses campaign funds on January 1, 2001, may use those  
29 funds to seek elective office without attributing the funds to specific  
30 contributors.

31 (c) Notwithstanding subdivision (a), a candidate for statewide  
32 elective office who possesses campaign funds on November 6,  
33 2002, may use those funds to seek elective office without  
34 attributing the funds to specific contributors.

35 SEC. 48. Section 85307 of the Government Code is repealed.

36 SEC. 49. Section 85309 of the Government Code is repealed.

37 SEC. 50. Section 85310 of the Government Code is amended  
38 to read:

39 85310. (a) Any person who makes a payment or a promise of  
40 payment totaling fifty thousand dollars (\$50,000) or more for a

1 communication that clearly identifies a candidate for elective state  
2 office, but does not expressly advocate the election or defeat of  
3 the candidate, and that is disseminated, broadcast, or otherwise  
4 published within 45 days of an election, shall file online or  
5 electronically with the Secretary of State a report disclosing the  
6 name of the person, address, occupation, and employer, and amount  
7 of the payment. The report shall be filed within 48 hours of making  
8 the payment or the promise to make the payment.

9 (b) (1) Except as provided in paragraph (2), if any person has  
10 received a payment or a promise of a payment from other persons  
11 totaling five thousand dollars (\$5,000) or more for the purpose of  
12 making a communication described in subdivision (a), the person  
13 receiving the payments shall disclose on the report the name,  
14 address, occupation and employer, and date and amount received  
15 from the person.

16 (2) A person who receives or is promised a payment that is  
17 otherwise reportable under paragraph (1) is not required to report  
18 the payment if the person is in the business of providing goods or  
19 services and receives or is promised the payment for the purpose  
20 of providing those goods or services.

21 SEC. 51. Section 85314 of the Government Code is repealed.

22 SEC. 52. Section 85315 of the Government Code is amended  
23 to read:

24 85315. (a) Notwithstanding any other provision of this chapter,  
25 an elected state officer may establish a committee to oppose the  
26 qualification of a recall measure; and the recall election. This  
27 committee may be established when the elected state officer  
28 receives a notice of intent to recall pursuant to Section 11021 of  
29 the Elections Code. An elected state officer may accept campaign  
30 contributions to oppose the qualification of a recall measure. The  
31 voluntary expenditure limits do not apply to expenditures made  
32 to oppose the qualification of a recall measure or to oppose the  
33 recall election.

34 (b) After the failure of a recall petition or after the recall  
35 election, the committee formed by the elected state officer shall  
36 wind down its activities and dissolve. Any remaining funds shall  
37 be treated as surplus funds and shall be expended within 30 days  
38 after the failure of the recall petition or after the recall election for  
39 a purpose specified in subdivision (b) of Section 89519.

1 SEC. 53. Section 85316 of the Government Code is amended  
2 to read:

3 85316. (a) Except as provided in subdivision (b), a contribution  
4 for an election may be accepted by a candidate for elective state  
5 office after the date of the election only to the extent that the  
6 contribution does not exceed net debts outstanding from the  
7 election.

8 (b) Notwithstanding subdivision (a), an elected state officer  
9 may accept contributions after the date of the election for the  
10 purpose of paying expenses associated with holding the office  
11 provided that the contributions are not expended for any  
12 contribution to any state or local committee. Contributions received  
13 pursuant to this subdivision shall be deposited into a bank account  
14 established solely for the purposes specified in this subdivision.

15 (c) Any contribution received pursuant to this section shall be  
16 deemed to be a contribution to that candidate for election to any  
17 state office that he or she may seek during the term of office to  
18 which he or she is currently elected, including, but not limited to,  
19 reelection to the office he or she currently holds. None of the  
20 expenditures made by elected state officers pursuant to this  
21 subdivision shall be subject to the voluntary expenditure limitations  
22 in Section 85400.

23 SEC. 54. Section 85320 of the Government Code is repealed.

24 SEC. 55. Section 85321 of the Government Code is repealed.

25 SEC. 56. Section 85501 of the Government Code is amended  
26 to read:

27 85501. A controlled committee of a candidate may not make  
28 independent expenditures to support or oppose other candidates.

29 SEC. 57. Section 85701 of the Government Code is repealed.

30 SEC. 58. Section 85702 of the Government Code is repealed.

31 SEC. 59. Section 85704 of the Government Code is repealed.

32 SEC. 60. Section 89510 of the Government Code is amended  
33 to read:

34 89510. All contributions deposited into the campaign account  
35 shall be deemed to be held in trust for expenses associated with  
36 the election of the candidate or for expenses associated with  
37 holding office.

38 SEC. 61. Section 89511.5 of the Government Code is amended  
39 to read:

1 89511.5. (a) An incumbent elected officer may utilize his or  
2 her personal funds for expenditures authorized by Section 89510  
3 without first depositing those funds in his or her controlled  
4 committee's campaign bank account, if both of the following  
5 conditions are met:

6 (1) The expenditures are not campaign expenses.

7 (2) The treasurer of the committee is provided with a dated  
8 receipt and a written description of the expenditure.

9 (b) An incumbent elected officer may be reimbursed for  
10 expenditures of his or her personal funds, from either the controlled  
11 committee campaign bank account established pursuant to Section  
12 85201 with respect to election to the incumbent term of office, or  
13 from a controlled committee campaign bank account established  
14 pursuant to Section 85201 with respect to election to a future term  
15 of office, if all of the following conditions are met:

16 (1) The expenditures are not campaign expenses.

17 (2) The incumbent elected officer, prior to reimbursement,  
18 provides the treasurer of the committee with a dated receipt and a  
19 written description of each expenditure.

20 (3) Reimbursement is paid within 90 days of the expenditure,  
21 in the case of a cash expenditure, or within 90 days of the end of  
22 the billing period in which it was included, in the case of an  
23 expenditure charged to a credit card or charge account.

24 (c) If reimbursement is not paid within the time authorized by  
25 this section, the expenditure shall be reported on the campaign  
26 statement as a nonmonetary contribution received on the 90th day  
27 after the expenditure is paid, in the case of a cash expenditure, or  
28 within 90 days of the end of the billing period in which it was  
29 included, in the case of an expenditure charged to a credit card or  
30 charge account.

31 (d) This section shall not be construed to authorize an incumbent  
32 elected officer to make expenditures from any campaign bank  
33 account for expenses other than those expenses associated with  
34 his or her election to the specific office for which the account was  
35 established and expenses associated with holding that office.

36 SEC. 62. Section 89512.5 of the Government Code is amended  
37 to read:

38 89512.5. (a) Subject to the provisions of subdivision (b), any  
39 expenditure by a committee not subject to the trust imposed by

1 Section 89510 shall be reasonably related to a political, legislative,  
2 or governmental purpose of the committee.

3 (b) Any expenditure by a committee that confers a substantial  
4 personal benefit on any individual or individuals with authority to  
5 approve the expenditure of campaign funds held by the committee,  
6 shall be directly related to a political, legislative, or governmental  
7 purpose of the committee.

8 SEC. 63. Section 89513 of the Government Code is amended  
9 to read:

10 89513. This section governs the use of campaign funds for the  
11 specific expenditures set forth in this section. It is the intent of the  
12 Legislature that this section shall guide the interpretation of the  
13 standard imposed by Section 89512 as applied to other expenditures  
14 not specifically set forth in this section.

15 (a) (1) Campaign funds shall not be used to pay or reimburse  
16 the candidate, the elected officer, or any individual or individuals  
17 with authority to approve the expenditure of campaign funds held  
18 by a committee, or employees or staff of the committee or the  
19 elected officer's governmental agency for travel expenses and  
20 necessary accommodations except when these expenditures are  
21 directly related to a political, legislative, or governmental purpose.

22 (2) For the purposes of this section, payments or reimbursements  
23 for travel and necessary accommodations shall be considered as  
24 directly related to a political, legislative, or governmental purpose  
25 if the payments would meet standards similar to the standards of  
26 the Internal Revenue Service pursuant to Sections 162 and 274 of  
27 the Internal Revenue Code for deductions of travel expenses under  
28 the federal income tax law.

29 (3) For the purposes of this section, payments or reimbursement  
30 for travel by the household of a candidate or elected officer when  
31 traveling to the same destination in order to accompany the  
32 candidate or elected officer shall be considered for the same  
33 purpose as the candidate's or elected officer's travel.

34 (4) Whenever campaign funds are used to pay or reimburse for  
35 travel expenses and necessary accommodations, any mileage credit  
36 that is earned or awarded pursuant to an airline bonus mileage  
37 program shall be deemed personally earned by or awarded to the  
38 individual traveler. Neither the earning or awarding of mileage  
39 credit, nor the redeeming of credit for actual travel, shall be subject  
40 to reporting.

1 (b) (1) Campaign funds shall not be used to pay for or reimburse  
2 the cost of professional services unless the services are directly  
3 related to a political, legislative, or governmental purpose.

4 (2) Expenditures by a committee to pay for professional services  
5 reasonably required by the committee to assist it in the performance  
6 of its administrative functions are directly related to a political,  
7 legislative, or governmental purpose.

8 (3) Campaign funds shall not be used to pay health-related  
9 expenses for a candidate, elected officer, or any individual or  
10 individuals with authority to approve the expenditure of campaign  
11 funds held by a committee, or members of his or her household.  
12 “Health-related expenses” includes, but is not limited to,  
13 examinations by physicians, dentists, psychiatrists, psychologists,  
14 or counselors, expenses for medications, treatments, or medical  
15 equipment, and expenses for hospitalization, health club dues, and  
16 special dietary foods. However, campaign funds may be used to  
17 pay employer costs of health care benefits of a bona fide employee  
18 or independent contractor of the committee.

19 (c) Campaign funds shall not be used to pay or reimburse fines,  
20 penalties, judgments, or settlements, except those resulting from  
21 either of the following:

22 (1) Parking citations incurred in the performance of an activity  
23 that was directly related to a political, legislative, or governmental  
24 purpose.

25 (2) Any other action for which payment of attorney’s fees from  
26 contributions would be permitted pursuant to this title.

27 (d) Campaign funds shall not be used for campaign, business,  
28 or casual clothing, except specialty clothing that is not suitable for  
29 everyday use, including, but not limited to, formal wear, if this  
30 attire is to be worn by the candidate or elected officer and is directly  
31 related to a political, legislative, or governmental purpose.

32 (e) (1) Except where otherwise prohibited by law, campaign  
33 funds may be used to purchase or reimburse for the costs of  
34 purchase of tickets to political fundraising events for the attendance  
35 of a candidate, elected officer, or his or her immediate family, or  
36 an officer, director, employee, or staff of the committee or the  
37 elected officer’s governmental agency.

38 (2) Campaign funds shall not be used to pay for or reimburse  
39 for the costs of tickets for entertainment or sporting events for the  
40 candidate, elected officer, or members of his or her immediate



1 family, or an officer, director, employee, or staff of the committee,  
2 unless their attendance at the event is directly related to a political,  
3 legislative, or governmental purpose.

4 (3) The purchase of tickets for entertainment or sporting events  
5 for the benefit of persons other than the candidate, elected officer,  
6 or his or her immediate family are governed by subdivision (f).

7 (f) (1) Campaign funds shall not be used to make personal gifts  
8 unless the gift is directly related to a political, legislative, or  
9 governmental purpose. The refund of a campaign contribution  
10 does not constitute the making of a gift.

11 (2) Nothing in this section shall prohibit the use of campaign  
12 funds to reimburse or otherwise compensate a public employee  
13 for services rendered to a candidate or committee while on  
14 vacation, leave, or otherwise outside of compensated public time.

15 (3) An election victory celebration or similar campaign event,  
16 or gifts with a total cumulative value of less than two hundred fifty  
17 dollars (\$250) in a single year made to an individual employee, a  
18 committee worker, or an employee of the elected officer's agency,  
19 are considered to be directly related to a political, legislative, or  
20 governmental purpose. For purposes of this paragraph, a gift to a  
21 member of a person's immediate family shall be deemed to be a  
22 gift to that person.

23 (g) Campaign funds shall not be used to make loans other than  
24 to organizations pursuant to Section 89515, or, unless otherwise  
25 prohibited, to a candidate for elective office, political party, or  
26 committee.

27 SEC. 64. Section 90002 of the Government Code is amended  
28 to read:

29 90002. (a) Audits and investigations of lobbying firms and  
30 lobbyist employers shall be performed on a biennial basis and shall  
31 cover reports filed during a period of two years.

32 (b) If a lobbying firm or lobbyist employer keeps a separate  
33 account for all receipts and payments for which reporting is  
34 required by this chapter, the requirement of an audit under  
35 subdivision (a) of Section 90001 shall be satisfied by an audit of  
36 that account and the supporting documentation required to be  
37 maintained by Section 86110.

38 (c) No audit or investigation of any candidate, controlled  
39 committee, or committee primarily supporting or opposing a  
40 candidate or a measure in connection with a report or statement

1 required by Chapter 4 (commencing with Section 84100), shall  
2 begin until after the last date for filing the first report or statement  
3 following the general, runoff, or special election for the office for  
4 which the candidate ran, or following the election at which the  
5 measure was adopted or defeated, except that audits and  
6 investigations of statewide candidates, their controlled committees,  
7 and committees primarily supporting or opposing those statewide  
8 candidates who were defeated in the primary election and who are  
9 not required to file statements for the general election may begin  
10 after the last date for filing the first report or statement following  
11 the primary election. When the campaign statements or reports of  
12 a candidate, controlled committee, or a committee primarily  
13 supporting or opposing a candidate are audited and investigated  
14 pursuant to Section 90001, the audit and investigation shall cover  
15 all campaign statements and reports filed for the primary and  
16 general or special or runoff elections and any previous campaign  
17 statement or report filed pursuant to Section 84200 since the last  
18 election for that office, but shall exclude any statements or reports  
19 which have previously been audited pursuant to Section 90001 or  
20 90003. When the campaign statements or reports of a committee  
21 primarily supporting or opposing a measure are audited and  
22 investigated, the audit and investigation shall cover all campaign  
23 statements and reports from the beginning date of the first  
24 campaign statement filed by the committee in connection with the  
25 measure. For all other committees, the audit and investigation shall  
26 cover all campaign statements filed during the previous two  
27 calendar years.

28 SEC. 65. No reimbursement is required by this act pursuant to  
29 Section 6 of Article XIII B of the California Constitution because  
30 the duties imposed on a local agency or school district by this act  
31 were expressly included in a ballot measure approved by the voters  
32 in a statewide election, within the meaning of Section 17556 of  
33 the Government Code.

34 SEC. 66. The Secretary of State shall, pursuant to subdivision  
35 (b) of Section 81012 of the Government Code, submit Sections 3  
36 to 64, inclusive, of this act to the voters for approval at a statewide  
37 election in accordance with Section 9040 of the Elections Code.

38 SEC. 67. Sections 1 and 2 of this act shall not become operative  
39 unless and until the voters approve the amendments to the Political  
40 Reform Act of 1974 (Title 9 (commencing with Section 81000))

1 of the Government Code) made by Sections 3 to 64, inclusive, of  
2 this act, at the statewide election described in Section 66.

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